



State of California
Employment Training Panel

Arnold Schwarzenegger, Governor

March 12, 2008

Nancy Ugarte, Human Resources Director
Hilmar Cheese Company, Inc.
9001 North Lander Avenue
Hilmar, California 95324

Dear Ms. Ugarte:

RE: FINAL MONITORING VISIT REPORT for Hilmar Cheese Company, Inc. – ET06-0284

Date of the Visit:	March 12, 2008
Beginning/Ending Time:	9:00 a.m. –1:00 p.m.
Date of Last Visit:	January 29, 2008
Visit Location:	9001 North Lander Avenue, Hilmar
Persons in attendance:	Theresa Miller, Training Supervisor, Hilmar Cheese Company; Beth Ingle, Administrative Subcontractor, BLK; and Kay Summerfield, Program Analyst, Employment Training Panel (ETP)
Action Required:	YES

CONTRACT INFORMATION:

Term of Agreement:	04/05/06 – 04/04/08	Agreement Amount:	\$750,672
Training Start Date:	April 5, 2006	No. to Retain:	312
Date Training must be Completed:	January 4, 2008	Range of Hours:	24-200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	192 (Job 1) and 183 (Job 2)

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

- ***HISTORY OF AGREEMENT CHANGES***

The Agreement was executed on April 19, 2006 and training began April 5, 2006. Your Representatives reported that all training was completed by January 4, 2008. This ensures that the 90-day retention period will be completed within the term of the Agreement.

- ***INTERVIEW WITH Theresa Miller, Training Supervisor:***

What barriers, if any, did your company experience in implementing your ETP project?

Our barriers were mainly internal. There was a lack of effort and attention to maintaining files or tracking known and unknown training. At the start of the Agreement we did not have dedicated training staff. With the newly created position of Training Manager and a newly created training department, we no longer have these problems. We should do much better on our next Agreement.

What problems, if any, did your company experience with ETP record keeping?

Again there were multiple people taking responsibility for managing the record keeping and we experienced problems with the transfer of ownership. Record keeping was performed by supervisors due to the lack of a Training Department. This made it difficult to have consistency within the rosters as each supervisor had "their" own way of doing things. Supervisors and/or team leads arranged their own training and often limited students to 7 or 8 per session. Most of the time there were even fewer trainees in a training session. This created multiple rosters for the same training date.

What assistance could ETP have provided that would improve the process for future Contractors?

Enrollment of trainees. For some reason the system did not always show trainees after they were enrolled and we had to repeat the task several times. The system only allowed us to enter up to the maximum number of hours in our Agreement. It would have been nice not to have to create a separate tracking system to track additional training hours. Our Monitor found a few discrepancies between the rosters and the tracking system. Had we been allowed to enter all of the hours, this would not have been a problem. Finding the correct rosters took over a week of our time to locate the rosters and change the roster number in ETP's tracking system. It would also be nice if the system would not allow you to enroll a trainee who has not been with the company for 90 days. It would be very helpful if the system would let you know that the individual must be certified before they can be enrolled.

How did your company benefit from the ETP training?

We are more focused on training. We have a better informed/educated employee and are able to operate our business from a production perspective. The reimbursement from ETP is wonderful and helps, but a well trained staff is truly beneficial.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Planned Number of Trainees:	312	Trainees Completed Training:	307
Trainees Started Training:	501	Total Agreement Hours:	57,744
Trainees Completed Minimum Hours:	307	Training Hours Recorded:	45,307
Trainees Completed Maximum Hours:	117	Training Hours Potentially Reimbursable:	45,307

Ms. Miller, Ms. Ingle, and ETP Tracking System provided Ms. Summerfield with the projected statistics for the closeout of the Agreement. According to your records at the time of this final meeting, you expected to retain a total of 307 trainees (98 percent of planned retentions) for an approximate total reimbursement of \$588,991, (79 percent of the encumbered amount). Your Representatives stated that the closeout invoice will be submitted within 30 days of the ending term date of the Agreement as required in your Agreement (by May 4, 2008).

ATTENDANCE ROSTERS:

Ms. Summerfield reviewed 100 percent of the class/lab rosters for 45 trainees. She found whiteout on some of the rosters. Ms. Summerfield understands that there have been several Hilmar individuals in charge of training throughout the Agreement and there has been some misunderstanding regarding the use of whiteout. Ms. Summerfield advised Ms. Miller and Ms. Ingle that she **approved** the rosters with whiteout for this Agreement. However, whiteout **should not** be used on original rosters in future Agreements.

Your staff is using both single and multiple day rosters and with the whiteout approved, all rosters reviewed met Panel requirements for documenting this training. This finding is based only on the training records reviewed during this visit and represents only a sampling of the training records completed to date. It is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes.

INVOICES:

To date you have submitted eleven invoices for a total amount of \$466,609.25. Of this amount \$353,272 is considered earned.

SUBAGREEMENTS:

Ms. Summerfield reviewed your administrative subagreement with BLI. She explained that ETP allows an Administrative Subcontractor to earn no more than 13 percent of the earned amount of an Agreement. If you earn the anticipated \$588,991, BLI can be paid up to \$76,568.83.

AUDIT:

Hilmar Cheese Company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit or "review". These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation

is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked during training
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or concerns regarding this report, please contact Kay Summerfield at 916-813-8386 or at ksummerfield@etp.ca.gov within ten days of receiving this letter.

Sincerely,



Ruby Cohen, Manager
Sacramento Regional Office



Kay Summerfield, Contract Analyst
Sacramento Regional Office

cc: Theresa Miller, Training Coordinator (tmiller@hilmaringredients.com)
Beth Ingle, Administrative Subcontractor (bingle@artsammonia.org)

David Guzman, Director, Program Operations
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File